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GENERAL

1. Multilateral talks proposed on Schuman plan--US Embassy Paris has learned from a French official that the French and Germans have agreed to begin multilateral negotiations soon on the Schuman proposal for pooling coal and steel resources and that the French are confident that the Benelux countries and Italy will join the negotiations on the basis already agreed to by France and Germany. Meanwhile, according to US Embassy London, the UK is willing to participate in direct Franco-German discussions on the proposal, but feels that a full international conference is not the appropriate way to approach the problem. The British are opposed to announcing their agreement on general principles before the practical details have been worked out. The French, however, plan to proceed with the proposed conference, fearing that discussion of the details of the Schuman plan at this time would cause delays which would make its eventual adoption much more difficult and probably impossible.

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EUROPE

2. SPAIN: Cabinet changes rumored—US Charge Culbertson in Madrid, for the first time in three years, gives "substantial credence" to current rumors of an impending change in the Spanish Government. According to Culbertson, there is some hope that Franco will dismiss Minister of Industry and Commerce Suances, who is "in more trouble and hot water than ever before." If Franco replaces Suances with a man of ability and liberal policies, Culbertson will be inclined to recommend that the US assist the Spanish economy in order to demonstrate US willingness to encourage liberalization in the economic as well as the political field.

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(CIA Comment: CIA believes that Suances is in a weak position, but that, for reasons of prestige, Franco may attempt to postpone any Cabinet changes until after expected favorable action on the Spanish question by the UN General Assembly. Although Suances' successor would probably take steps designed to attract foreign investment, economic liberalization would be avoided as far as possible. In any event, liberalization of political controls is not likely.)